Government of Saskatchewan

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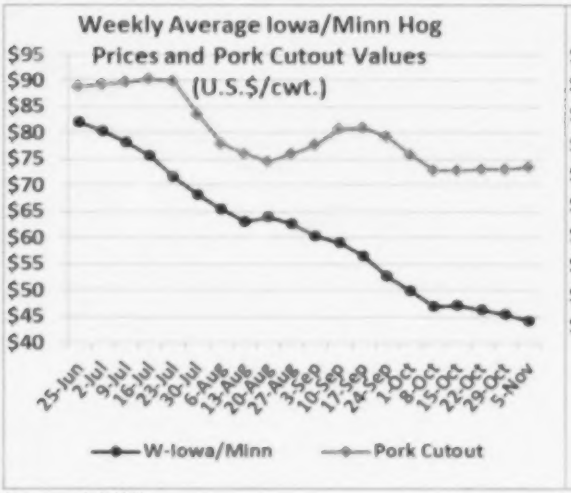
Weekly Hog Report

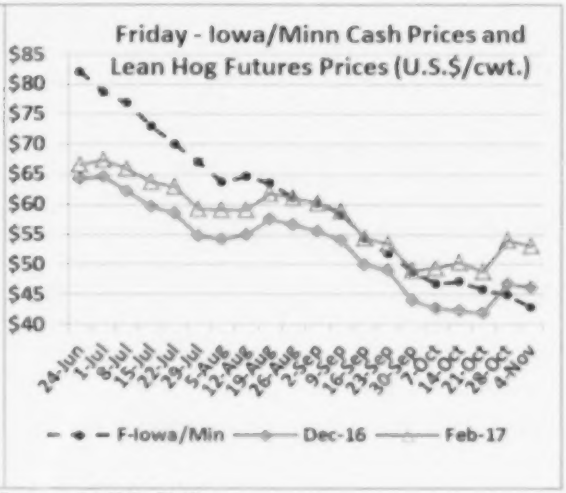
November 7, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged lower over the week to continue lower, week-over-week. Hog prices on Friday November 4 averaged US$42.87 per cwt, down US$2.08 per cwt from US$44.95 per cwt the previous Friday. The negotiated weekly base price last week averaged US$44.18 per cwt, down US$1.14 per cwt from US$45.32 per cwt the previous week. North American slaughter weight hog prices continued to be under pressure as both weekly U.S. hog slaughter numbers and weekly pork production established new all-time record highs.



Source: LMIC



Source: LMIC, CME

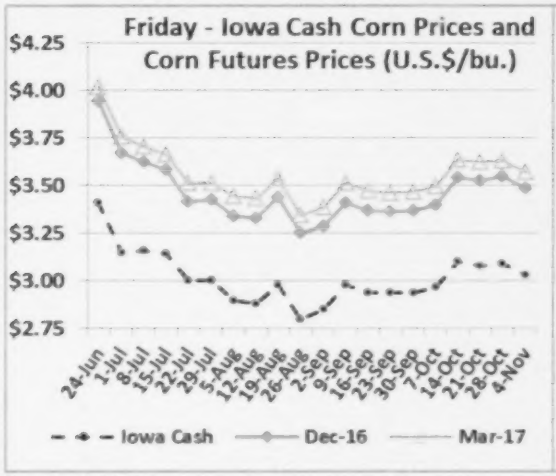
In Canada, the new contract Signature#5 (Maple Leaf) Index 100 daily price for Friday November 4, 2016 was $117.38 per ckg, down $2.98 per ckg from $120.36 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $118.48 per ckg, down $1.83 per ckg from the previous weeks' average price of $120.31 per ckg. The Canadian dollar edged lower again last week to close Friday at 74.61 cents, down 0.12 cents from 74.73 cents the previous Friday.

Futures Markets

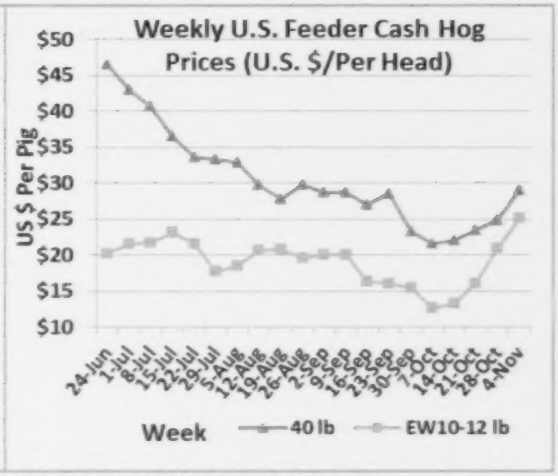
United States lean hog futures daily prices were mixed over the week edging lower; week-over-week. The nearby December contract declined US$0.650 per cwt to settle Friday at US$46.150 per cwt. The February 2017 lean hog futures contract declined US$1.025 per cwt last week to settle Friday at US$52.975 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$25.14 per head, up US$4.86 per head from US$20.90 per head the previous week. Feeders (40lb) averaged US$28.96 per head, up US$4.16 per head from US$24.80 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

U.S. corn prices were lower last week. Iowa cash corn prices declined six cents last week to settle Friday at US$3.03 per bushel. Daily U.S. corn futures prices were mixed over the week with bigger losses mid-week to push prices lower, week-over-week. The Dec. 2016 corn futures contract declined over six cents to settle Friday at US$3.48 ¾ per bushel, while the March 2017 corn contract declined almost six cents per bushel to settle Friday at US$3.57 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending November 5 were estimated at **a new all-time record high 2.532 million head,** up 5.5 per cent from 2.401 million head the previous week, and up 7.2 per cent from 2.362 million head the same week a year ago. U.S. weekly hog slaughter numbers over the last four weeks ending November 5 averaged 2.440 million head per week, up 5.5 per cent from 2.314 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 29, 2016 were estimated at 448,654 head, down 1.3 per cent from 454,403 head the previous week, but up 3.3 per cent from 434,177 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 424,759 head, up 4.0 per cent from 408,375 head over the same period in 2015. Year-to-date for 2016, hogs slaughtered in Canada totaled 17,508,461 head, up 1.9 per cent from 17,176,336 head the same period in 2015. (Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending November 5, 2016 was estimated at a new all-time record high 532.9 million lb., up 5.7 per cent from 504.4 million lb. the previous week, and up 5.9 per cent from 503.1 million lb. the same week a year ago. Pork production over the last four week's ending November 5 was estimated to average 513.7 million lb., up 4.5 per cent from 491.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending November 5 was estimated at 509.3 million lb., down 1.7 per cent from 518.1 million lb. the previous week, but up 7.1 per cent from 475.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 29, 2016, was estimated to average 2.162 billion lb., up 3.7 per cent from 2.085 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.7 per cent or over 2 billion lb. compared to the same period in 2015.

United States Weekly Meat Production

(Oct. 29) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	486.8	507.9	4.3%	1.1%
Beef	473.6	510.5	7.8%	5.1%
Chicken	983.6	1,009.5	2.6%	2.0%
Turkey	140.8	133.9	-4.9%	4.6%
Total	**2,084.7**	**2,161.8**	**3.69%**	**2.66%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending November 5, 2016 averaged US$73.56 per cwt, up US$0.41 per cwt or 0.6 per cent from US$73.15 per cwt the previous week, but down 4.4 per cent from US$76.91 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending November 5, 2016 averaged US$187.03 per cwt over the week, up US$5.03 per cwt or 2.8 per cent from US$182.00 per cwt the previous week, but down 14.4 per cent from US$218.53 per cwt the same week a year ago.

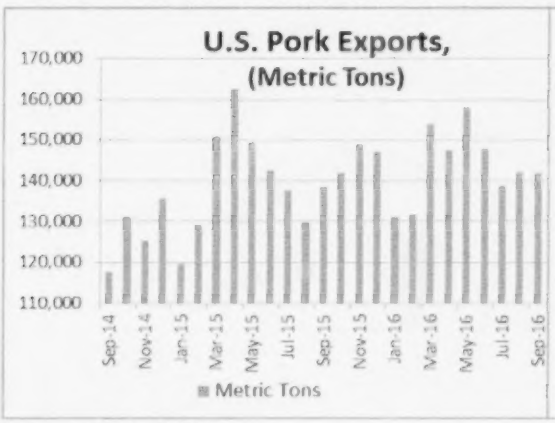
Average chicken cutout values (breast) for the week ending November 5, 2016 averaged US$100.70 per cwt, down US$9.89 per cwt or 8.9 per cent from US$110.59 per cwt the previous week, and down 6.6 per cent from US$107.79 per cwt the same week a year ago.

United States Pork Exports

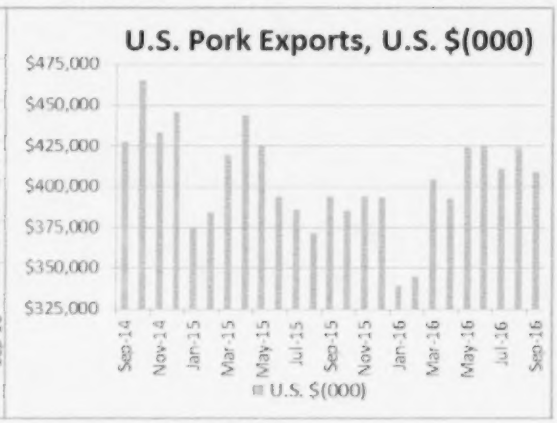
United States exported 142,113 metric tons of pork in September 2016, down slightly from 142,126 metric tons in August 2016, but up 2.7 per cent from 138,398 metric tons from September 2015.

Cumulative U.S. pork exports by volume for the first nine months of 2016 were 1,292,533 metric tons, 2.6 per cent higher compared to the same period in 2015. The biggest increases in pork exports in 2016 by volume were to Hong Kong/China; helping to make up for the volume declines to South Korea, along with small declines to Mexico and Japan.

By dollar amount, U.S. pork exports in September 2016 were US$409.2 million dollars, down 3.6 per cent from US$424.5 million in August 2016, but up 3.8 per cent from US$394.1 million dollars a year ago from September 2015. Year-to-date, U.S. pork exports by dollar amount were $3.577 billion dollars, down 0.5 per cent from the same nine months in 2015.



Source: USDA, USMEF



Source: USDA, USMEF

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